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MEMSCAP: LAUNCH OF A €1 MILLION RIGHTS ISSUE WITH PREFERENTIAL SUBSCRIPTION RIGHTS

(Visa n°13-309 dated June 27, 2013 of the AMF "l'Autorité des marchés financiers")

The subscription period will open on July 1st, 2013 and run through July 15, 2013, inclusive.

Grenoble (France) – June 28, 2013

MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, **announces the launch of a capital increase of 1.0 million euros with preferential subscription rights (PSRs)** for existing shareholders.

MAIN TERMS OF THE RIGHTS ISSUE WITH PSRs

- The capital increase will be accomplished in cash with preferential subscription rights for existing shareholders (PSRs) and will entail the creation and admission for trading on the NYSE-Euronext Paris market of 758,876 new shares at a price of 1.38 euro per share, on the basis of one new share for every eight existing shares, for a gross total, including issue premium, of 1,047,249 euros.
- Depending on demand, the Board of Directors may decide to increase the initial number of new shares to be issued by up to 15%, or to a maximum total of 872,707 shares, by exercise of the extension clause, raising the total amount of the capital increase to at most 1,204,336 euros, it being noted that the exercise of the extension clause is exclusively available to satisfy orders on a reducible basis that could not otherwise be satisfied.
- The subscription period will open on July 1st, 2013 and run through July 15, 2013, inclusive. During the subscription period, the PSRs will be quoted and tradable on NYSE-Euronext Paris market (ISIN: FR0011521764).
- MEMSCAP experienced a significant growth in its business during the year 2012 with an increase of 24% of its sales. This growth was confirmed during the first quarter of 2013 with a sequential increase in sales of 18%. This significant growth is in particular based on the development of the "Mass market" activity dedicated to mobile phones and personal computers markets (See Press Releases April 30, 2013 and January 29, 2013). MEMSCAP's sales related to this activity (which the industrialization was initiated in the second quarter of 2012) amounted to 1.1 million euros in fiscal year 2012. During the first three months of the fiscal year 2013, the Group's sales related to this market segment amounted to 0.8 million euros. This growth generates an increase in the Group's net working capital due to a higher level of work in progress.

Consequently the proceeds of this capital increase will be used:

- *Mainly to finance the growth of the "Mass Market" activity and the related working capital increase;*
 - *To strengthen the financial structure of the Company.*
- The rights issue will be offered to the public only in France.



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- Mr Jean Michel Karam, Chairman of the Board and Chief Executive Officer, the members of the Board of Directors and the management team of MEMSCAP have undertaken to subscribe for a minimum amount of 325,001 euros to the capital increase representing 31% of the total amount of the rights issue.
- There is no underwriting agreement which ensures that the rights issue will be fully subscribed.
- Centralisation of the transaction as well as the related financial services is managed by CM-CIC Securities (c/o CM-CIC Titres, 3 allée de l'Etoile, 95014 Cergy-Pontoise).

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AVAILABILITY OF THE PROSPECTUS

Copies of the prospectus, consisting of the Registration Document filed with the Autorité des Marchés Financiers (the "AMF", the French Financial Markets Authority) under number R.13-035 on June 25, 2013 and the Securities Note ("Note d'opération") registered under n°13-309 on June 27, 2013, are available without charge and on demand from MEMSCAP, Parc Activillage des Fontaines, Bernin, 38926 Crolles cedex and on the websites of the AMF (www.amf-france.org) and MEMSCAP (www.memscap.com).

Members of the public are invited to consider the sections headed "Risk Factors" in the prospectus as approved by the Autorité des Marchés Financiers. These risk factors are described in Section 4 of the Registration Document and Section 2 in the Securities Note.

INFORMATION FOR THE PUBLIC

Information related to this rights issue with preferential subscription rights is available on the MEMSCAP website (www.memscap.com).

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP standard and custom products and solutions include components, component designs (IP), manufacturing and related services. MEMSCAP customers include Fortune 500 businesses, major research institutes and universities. The company's shares are traded on the Eurolist of NYSE Euronext Paris S.A (ISIN: FR0010298620-MEMS) and belong to the CAC small, CAC Mid & Small, CAC All-Tradable and CAC All-Share indexes. More information on the company's products and services can be obtained at www.memscap.com.

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MAIN SPECIFICATION OF THE RIGHTS ISSUE

Issuer	MEMSCAP, registered as « société anonyme à conseil d'administration » under the laws of France with company registration number 414 565 341 RCS Grenoble and with registered office at Parc Activillage des Fontaines, Bernin, 38926 Crolles cedex – France.
Capital	6,071,011 issued ordinary shares at the date of the filing of the Securities Note.
Form	Registered shares and bearer shares.
Name	MEMSCAP REGPT
ISIN	FR0010298620
Mnemo	MEMS
Compartment	C

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Total net proceeds and an estimate of the total expenses of the issue	<p>Gross proceeds of the rights issue 1,047,249 euros which may be increased to 1,204,336 euros in the event of the exercise of the extension clause.</p> <p>Estimate of the total expenses of the issue Approximately 45 thousand euros.</p>
Reasons for the offer / Use of proceeds / Estimated net proceeds of the rights issue	<p>MEMSCAP experienced a significant growth in its business during the year 2012 with an increase of 24% of its sales. This growth was confirmed during the first quarter of 2013 with a sequential increase in sales of 18%. This significant growth is in particular based on the development of the "Mass market" activity dedicated to mobile phones and personal computers markets (See Press Releases April 30, 2013 and January 29, 2013). MEMSCAP's sales related to this activity (which the industrialization was initiated in the second quarter of 2012) amounted to 1.1 million euros in fiscal year 2012. During the first three months of the fiscal year 2013, the Group's sales related to this market segment amounted to 0.8 million euros. This growth generates an increase in the Group's net working capital due to a higher level of work in progress.</p> <p>Consequently the proceeds of this capital increase will be used:</p> <ol style="list-style-type: none">1. <i>Mainly to finance the growth of the "Mass Market" activity and the related working capital increase;</i>2. <i>To strengthen the financial structure of the Company.</i> <p>In case of a minimum subscription of 75% of the rights issue, the use of proceeds would be allocated to the point #1.</p> <p>Estimated net proceeds of the rights issue Approximately 1 002 thousand euros which may be increased to 1 159 thousand euros in the event of the exercise of the extension clause.</p>
Terms and conditions of the offer	<p>Number of new shares 758,876 new ordinary shares to be issued.</p> <p>Extension clause The initial number of new shares to be issued may be increased to a maximum total of 872,707 shares by exercise of the extension clause (113,831 additional new shares compared to the initial number of new ordinary shares to be issued).</p> <p>Offer revocation There is no underwriting agreement which ensures that the rights issue (758,876 new ordinary shares to be issued) will be fully subscribed. If subscriptions are under 75% of the initial amount of the rights issue, the transaction may not be finalized and subscriptions may be revoked.</p> <p>Share issue price 1.38 euro per new share.</p>



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Date the new shares take effect

The settlement of the rights issue and the listing of new shares are scheduled to take place on July 26, 2013. The new shares will be of the same category and will be considered identical to the shares of MEMSCAP already listed for trading on NYSE-Euronext Paris, (Compartment C - ISIN FR0010298620).

Preferential subscription rights (PSRs)

Each shareholder will be granted one preferential subscription right per share held as of the close of trading on Euronext Paris on June 28, 2013. 8 preferential subscription rights will entitle their holder to subscribe on an irreducible basis (à titre irréductible) for 1 new share at 1.38 euro.

Shareholders or purchasers of preferential subscription rights may, when placing their order to subscribe new shares on an irreducible basis corresponding to their preferential subscription rights, ask to subscribe on a reducible basis (à titre réductible) for a number of additional new shares. New shares which are not subscribed after the exercise of preferential subscription rights on an irreducible basis will be allocated to subscribers on a reducible basis, at the same price of 1.38 euro per new share.

If subscriptions on a reducible and irreducible basis do not absorb the total amount of the entire rights issue, the Board of Directors may either, reduce the amount of the transaction in the amount of subscriptions received, provided that it reaches at least three-quarters of the amount of the issue or distribute all or part of the unsubscribed shares between persons of his choice, or offer them to the public.

During the subscription period, running from July 1st, 2013 to July 15, 2013, inclusive, the preferential subscription rights will be listed for trading on NYSE-Euronext Paris under ISIN FR0011521764.

There is no suspension period for the exercise of the stock-options.

Theoretical PSR price

Taking into account the closing price of MEMSCAP shares on June 26, 2013 (1.71 euro):

- The subscription price (1.38 euro) represents a 0.33 euro discount.
- The theoretical PSR price amounts to 0.04 euro.
- The theoretical share price excluding PSR amounts to 1.67 euro.

The subscription share price represents a 17.37% discount compared to the theoretical share price excluding PSR.

Subscription commitments by major shareholders and third parties

On June 21, 2013, Mr Jean Michel Karam, Chairman of the Board and Chief Executive Officer, has undertaken:

- to subscribe on an irreducible basis for 73,312 euros that represent 53,125 new shares corresponding to his entire preferential subscription rights.
- to subscribe on a reducible basis for a minimum amount of 26,688 euros that represents 19,339 new shares.

Consequently, Mr Jean Michel Karam has undertaken to subscribe for a **minimum** amount of 100,001 euros both on an irreducible and reducible basis. Mr Jean Michel Karam owns 425,006 shares at the date of the Securities Notice representing 7.0% of the capital of the Company.

The members of the Board of Directors and the management team have also undertaken:

- to subscribe on an irreducible basis for 19,537 euros that represent 14,157 new shares corresponding to their entire preferential subscription rights.
- to subscribe on a reducible basis for a minimum amount of 205,463 euros that represents 148,886 new shares.

Consequently, the members of the Board of Directors and the management team have undertaken to subscribe for a **minimum** amount of 225,000 euros both on an irreducible and reducible basis. The members of the Board of Directors and the management team own 113,274 shares at the date of the Securities Notice representing 1.9% of the capital of the Company.

Mr Jean Michel Karam, Chairman of the Board and Chief Executive Officer, the members of the Board of Directors and the management team of MEMSCAP have undertaken to subscribe for a



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	<p>minimum amount of 325,001 euros to the capital increase representing 31% of the total amount of the rights issue. The company is not aware of the intentions of any of its other shareholders.</p> <p>Underwriter There is no underwriting agreement which ensures that the rights issue will be fully subscribed. At the date of the AMF visa to the Securities Notice, Mr Jean Michel Karam, Chief Executive Officer, the members of the Board of Directors and the management team of MEMSCAP have undertaken to subscribe for a minimum amount of 325,001 euros to the capital increase representing 31% of the total amount of the rights issue. Since these subscription commitments are under 75% of the total amount of the rights issue, the transaction is not underwritten and may not be finalized.</p> <p>Countries where the offering is being made The offer will be open to the public only in France.</p>
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TIMETABLE

25 June 2013	Filing of MEMSCAP's 2012 Registration Document.
27 June 2013	Temporary suspension of the contract of liquidity. Visa to the Prospectus from the Autorité des Marchés Financiers (AMF).
28 June 2013	Publication by the Company of a press release setting out the main details of the capital increase and details of the availability of the Prospectus. Publication by NYSE-Euronext of the issue notice.
1 July 2013	Beginning of subscription period. Detachment and start of trading of the PSRs on NYSE-Euronext Paris.
15 July 2013	End of subscription period. End of listing of the PSRs.
22 July 2013	Decision by the Board of Directors regarding exercise of the extension clause. Publication of a press release by the Company announcing the result of subscriptions.
23 July 2013	Publication by NYSE-Euronext of notice of listing of new shares indicating the final amount of the capital increase and the distribution table for subscriptions on a reducible basis.
26 July 2012	Issuance and listing of the new shares on NYSE-Euronext Paris. Settlement and delivery. Start of trading in new shares on NYSE-Euronext Paris. Restart of the contract of liquidity.

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